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LATHAM & WATKINS LLP

August 31, 2005

VIA FACSIMILE

Honorable Gregory M. Sleet
U.S. District Court for the District of Delaware
J. Caleb Boggs Federal Building
844 North King Street
Wilmington, Delaware 19801

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File No. 029830-0016

Re: In re GST Telecom Inc., Case No. 00-1982 (GMS); GST Telecom Inc. v. John Warta, Civil Action No. 04CV1380 (GMS)

Dear Judge Sleet:

This letter is jointly submitted by counsel to both parties in the above litigation. Your Honor held an in-chambers scheduling and planning conference on October 7, 2004, which resulted in a Stipulated Case Management Order, filed on December 9, 2004. The Stipulated Case Management Order established dates for various pre-trial activities and submittals, as well as a referral to Magistrate Judge Thyng for a mediation. Due to the demands of Judge Thyng's schedule, the parties were unable to hold the in-person mediation session until July 27, 2005. Although Judge Thyng continues to participate in discussions with the parties as to a possible settlement, thus far the parties have been unable to reach a settlement.

As to the remainder of the Stipulated Case Management Order, the respective parties anticipate complying with its requirements for submission to the court in all respects save one. Motions in Limine are to be fully briefed by September 19, 2005, and the parties anticipate that they will be with one narrow exception. The parties delayed the retention of any experts until after the in-person mediation session with Judge Thyng. The parties delayed the retention of experts so as to make the prospect of settlement more likely by not incurring additional pre-trial expense in advance of the mediation. Each of the parties now has retained an expert, and the parties have agreed on a schedule for the identification of the experts, and for the submission of expert reports. The reports are to be exchanged on September 19, 2005. Because neither side has seen an expert report from the other, neither side knows whether a Daubert or other motion will be appropriate or advisable, and will not be able to make such a judgment until September 19 or thereafter.

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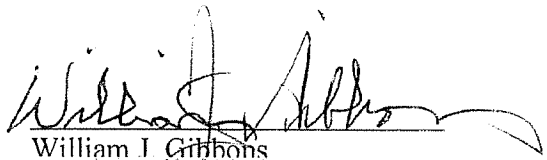
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The parties jointly thought that it would be advisable to notify the Court of this circumstance, and request that the Court allow for the possibility of a Daubert or other motion challenging expert reports subsequent to September 19. The parties submit that there is adequate time for such motion, since the trial is not scheduled to begin until November 7, 2005.

If Your Honor has any question or concern about this issue, counsel can be available for a conference call with the Court.

We appreciate the Court's consideration.

Respectfully submitted,



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